



BAKER TECHNOLOGY LIMITED
Unique Entity Number: 198100637D

Media Release

Baker Tech reports 3Q2013 net profit of S\$3.6 million

S\$ million Y/E Dec	3Q2013	3Q2012	Chg %	9M2013	9M2012	Chg %
Revenue	20.7	21.7	(5)	67.9	81.8	(17)
Cost of goods sold	(14.0)	(13.6)	3	(50.6)	(61.8)	(18)
Gross Profit	6.7	8.1	(18)	17.4	20.1	(14)
Administrative Expenses	(1.8)	(1.8)	3	(5.6)	(6.4)	(12)
Other Operating Income / (Expenses), net	(0.4)	0.6	NM	9.6	69.2	(86)
Share of Results of Associates	-	-	-	(0.5)	0.6	NM
Profit before tax	4.5	6.9	(35)	20.9	83.4	(75)
Net Profit	3.6	5.7	(37)	18.2	80.6	(77)
Basic EPS* (cents)	0.38	0.81		2.22	11.51	
Diluted EPS ⁺ (cents)	0.33	0.48		1.89	6.41	

* based on a weighted average number of 818,941,580 ordinary shares for the financial period ended 30 September 2013 (30 September 2012 – 700,385,317)

+ based on the number of ordinary shares in issue during the financial period ended 30 September 2013 adjusted for dilutive effect of 144,708,822 warrants (30 September 2012 – 557,073,833 warrants).

6 November 2013 – Baker Technology Limited ('Baker Tech' or 'the Group') 巴克科技有限公司, a leading manufacturer and provider of specialised marine offshore equipment and services for the oil and gas industry, has reported revenue of S\$20.7 million and net profit of S\$3.6 million for the three months ended 30 September 2013 (3Q2013). For the nine months ended 30 September 2013 (9M2013), the Group's revenue was S\$67.9 million, and net profit was S\$18.2 million. Net profit decreased compared to the corresponding period in FY2012, due to lower gains on disposals in FY2013.

3Q2013 Performance

Group revenue for the quarter was S\$20.7 million, a decrease of 5% compared to 3Q2012, and gross profit decreased 18% from S\$8.1 million in 3Q2012 to S\$6.7 million in 3Q2013. The decrease in gross profit was mainly due to lower margins resulting from a different product mix, and revenue was affected by a general slowdown in order intake which lasted through to the middle of 2013. However, the Group has seen a recovery in its order book due to an improvement in order intake during this quarter. As at end September 2013, the net order book stood at US\$55 million, compared to US\$33 million as at end June 2013.

9M2013 Performance

Group revenue decreased by 17% compared to the corresponding period in FY2012, due to lower recognition of project completion during 9M2013. Administrative expenses were 12% lower at S\$5.6 million. Other operating income reduced from S\$69.2 million to S\$9.6 million, contributing to a net profit of S\$18.2 million for 9M2013, compared to S\$80.6 million in 9M2012. This is mainly due to lower gains from the disposals of subsidiary / associates in FY2013. The Group recognised a gain of S\$8.8 million from the disposal of its stake in Discovery Offshore S.A. in 2Q2013, as compared to gains of S\$69.1 million recognised in 9M2012 for the disposal of stakes in PPL Holdings Pte Ltd as well as York Transport Equipment (Asia) Pte Ltd.

Group shareholders' funds were S\$235.7 million as at 30 September 2013, a reduction from S\$268.1 million as at 31 December 2012 but slightly higher than S\$232.0 million as at 30 June 2013. The reduction was primarily due to the payment of S\$87.2 million in dividends to shareholders, but was partially offset by proceeds from conversion of warrants, and retained profits for the period. Cash and cash equivalents remained strong at S\$203.7 million as at 30 September 2013.

Outlook

The Group foresees its operating environment to remain competitive and challenging for the next 12 months. However, the Group maintains its optimism on the long term fundamentals of the oil and gas industry. The Group's net order book had increased to US\$55 million as at 30 September 2013, and these orders are expected to be completed within the next 12 to 18 months. The Group is also continuing to explore external opportunities to provide additional avenues for growth.

“Our recent efforts to focus on our core subsidiary are starting to pay off, and we have seen a reversal in the decline of our net order book this quarter. However, we remain mindful of the need to develop additional revenue streams for the Group. To that end, we are still evaluating opportunities to deploy our capital, in order to enhance returns for shareholders.”

- Chairman, Mr. Lim Ho Seng (林穆升)

About Baker Technology Limited (Ticker symbols: Bloomberg - BTL SP, Reuters - BATE.SI)

Baker Technology Limited (Baker Tech) is a leading manufacturer and provider of specialised equipment and services for the oil & gas industry. Its core business is in the design and construction of a wide range of equipment and components for use in the offshore environment. These include offshore pedestal cranes, anchor winches, skidding systems, jacking systems and raw water tower structures. It also provides services such as project management, engineering services, quality assurance, and construction supervision. Baker Tech has market presence in China, the Middle East, Asia and USA.

Please visit us at www.bakertech.com.sg

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